

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1275-01
Bill No.: HB 571
Subject: Counties; Property, Real and Personal; Taxation and Revenue - Property
Type: Original
Date: March 16, 2011

Bill Summary: This proposal reduces the maximum penalty on delinquent county property taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Blind Pension Fund	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	(More than \$100,000)	(More than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state this proposal presents no costs to the state foundation formula. It does not appear to have a negative impact on districts.

Officials from the **Parkway School District** state the cost to the District is unknown, but not expected to exceed \$150,000.

Officials from the **Buchanan County Collector** state this proposal would result in a loss of \$405,000 annually to school districts, fire districts, county and all other entities that are collected for in Buchanan County.

Officials from the **County of Jackson** state the County would suffer an annual loss of \$860,000. There would be an additional \$5.8 million dollar loss to all other taxing jurisdictions that Jackson County collects taxes for.

Officials from the **St. Louis County Collector** state based on the average amount collected for the past four years at the max of 18% all taxing authorities combined would lose \$6.5 million each fiscal year. The loss to county funds in each fiscal year would be \$435,000.

Officials from the **Special School District of St. Louis County** state the proposal is not expected to have a material fiscal impact on the District as the total interest received on delinquent taxes last year was only \$9,200.

Officials from the **Office of Administration, Division Budget and Planning (BAP)** state this proposal should not result in additional costs or savings to BAP. This proposal would cap the interest rate on delinquent property tax penalties, which could affect the Blind Pension Fund and local tax revenues.

Oversight assumes that this proposal would reduce the maximum penalty on delinquent property tax payments for 2012 (FY 2013), 2013 (FY 2014), and 2014 (FY 2015) from 18% per year to a maximum of 9%. The delinquent taxes prior to 2012 and the years after January 1, 2015, would continue to accrue penalties at the 18% annual rate. Accordingly, Oversight will indicate losses to the Blind Pension Fund, and losses to local governments in excess of \$100,000 per year for FY 2013 and FY 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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BLIND PENSION FUND

<u>Losses</u> - reduction in delinquent property tax penalties	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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LOCAL GOVERNMENTS

<u>Losses</u> - reduction in delinquent property tax penalties	<u>\$0</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes, from 18% to 9% annually, the maximum penalty that can be charged on delinquent county property taxes occurring after January 1, 2012, but before January 1, 2015. St. Louis City is excluded from this provision.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

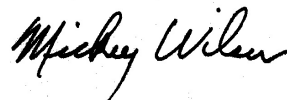
SOURCES OF INFORMATION

St. Louis County Collector
Office of Administration
-Division of Budget and Planning
Department of Elementary and Secondary Education
County of Jackson
Parkway School District
Buchanan County Collector
Special School District of St. Louis County

NOT RESPONDING

School Districts of : Blue Springs Public Schools, Branson Public Schools, Columbia Public Schools, Francis Howell, Independence Public Schools, Jefferson City Public Schools, Kansas City Public Schools, Kirksville Public Schools, Lee Summit Public Schools, Mehlville Public Schools, Mexico Public Schools, Nixa Public Schools, Sedalia School District, Sikeston Public Schools, Silex Public Schools, St. Joseph School District, St. Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools

Counties of: Andrew, Barry, Bates, Boone, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Texas, Warren, Webster



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Director
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